

Message Text

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ACTION L-03

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FM AMCONSUL MADRAS

TO MARD WASHDC

INFO COMSC WASHDC

AMEMBASSY NEW DELHI

AMCONSUL BOMBAY

SECSTATE WASHDC 3595

DRF-PAC CAMP H.M.SMITH HI

DFSC PQAQ USNAVOFF SINGAPORE

DFSC CAMERON STATION

CH PQAQ LEFFLER WESTPAC MANILLA RP

UNCLAS MADRAS 1749

E.O. 11652: N/A

TAGS: OGEN, IN

SUBJECT: LEGAL ACTION ON SALE OF THE S.S. TRANSHURON

REF: MADRAS 0535 AND 0682 (1975)

1. FOLLOWING IS THE COMPLETE TEXT OF A LETTER DATED SEPTEMBER 19 ADDRESSED TO THE COUNSEL GENERAL, AMERICAN EMBASSY (SIC), MADRAS, FROM THE SECRETARY TO THE ADMINISTRATOR, ADMINISTRATION OF THE UNION TERORY OF LAKSHADWEEP, CALICUT 673001. THE LETTER APPEARS TO BE A COPY ALTHOUGH NO INDICATION IS GIVEN AS TO WHERE THE ORIGINAL OR OTHER COPIES MAY HAVE BEEN SENT. OUR CONTACTS WITH DORAIRAJ ARE DESCRIBED IN REFTELS. THE LETTER REQUESTS A REPLY BY SEPTEMBER 24.

2. QUOTE

SIR,

NEW INDIA STEEL INDUSTRIES MADRAS REPRESENTED BY ONE
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MR. DORAIRAJ HAS INSTITUTED A CIVIL SUIT O.S.

3886 OF 1975 IN THE CITY CIVIL COURT MADRAS AGAINST THE ADMINISTRATOR OF UNION TERRITORY OF LAKSHADWEEP FOR A DECLARATION THAT HE IS THE OWNER OF S.S. TRANSHURON WHICH BELONGED TO THE GOVERNMENT OF UNITED STATES OF AMERICA AND OPERATED BY HUDSON WATERWAYS CORPORATION IN SEPTEMBER 1974 WHEN IT WAS CARRYING FURNACE OIL FOR AMERICAN NAVY. THE SHIP RAN AGROUND ON 26.9.74 OFF KILTAN ISLAND IN UNION TERRITORY OF LAKSHADWEEP. IT WAS THEN ABANDONED BY ITS MASTER AND CREW, AND THEREFORE THE ADMINISTRATOR OF LAKSHADWEEP IN EXERCISE OF HIS POWERS UNDER THE MERCHANT SHIPPING ACT 1958 AS "RECEIVER OF WRECK" TOOK INTO CUSTODY THE WRECKED VESSEL, AND SUBSEQUENTLY IN APRIL/MAY 1975 ORDERED ITS SALE BY PUBLIC AUCTION. AT THAT STAGE IT WAS, THAT THE NEW INDIA STEEL INDUSTRIES FILED THE ABOVE SUIT ALLEGING THAT THE GOVERNMENT OF UNITED STATES HAS SOLD FOR CASH CONSIDERATION TO NEW INDIA STEEL INDUSTRIES MADRAS THE WRECKED VESSEL IN "AS IS WHERE IS" CONDITION. THIS CLAIM TO OWNERSHIP COULD NOT BE COUNTENANCED BY THE ADMINISTRATOR AS RECEIVER OF WRECK, AS, ON AND FROM THE DATE OF NOTIFICATION THAT THE VESSEL HAS BECOME A WRECK, IT HAS BECOME A PROPERTY OF THE GOVERNMENT OF INDIA TO BE DISPOSED OF ONLY BY THE RECEIVER OF THE WRECK BEFORE WHOM THE CLAIM TO OWNERSHIP HAS TO BE ESTABLISHED IN THE MANNER LAID DOWN IN THE STATUTORY RULES. THEREFORE THE ADMINISTRATOR AMONG OTHER THINGS DENIED PLAINTIFFS' CLAIM TO OWNERSHIP OVER THE SHIP S.S. TRANSHURON IN THE ABOVE SAID SUIT.

THE SUIT NOW STANDS POSTED TO 24.9.76 FOR DETERMINATION OF THE ISSUES SET FOR TRIAL, ONE OF WHICH IS WANT OF JURISDICTION FOR THE COURT IN MADRAS TO TRY THE SUIT.

IN THE MEANWHILE MR. DORAIRAJ REPRESENTING THE NEW INDIA STEEL INDUSTRIES HAS PRODUCED A BILL OF SALE ON THE LAST HEARING DATE ON 8.9.76. BUT ALL THE SAME, WE HAVE RECEIVED A COMMUNICATION FROM THE GOVERNMENT OF UNITED STATES DATED 12.4.76 WHICH READS AS FOLLOWS:-

" I REQUEST YOUR ADVICE AS TO WHAT ACTIONS, IF ANY,
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MIGHT BE TAKEN AT THIS TIME TO EXPEDITE MATTERS RELATING TO THE VESSEL TRANSHURON, AGROUND AT KILTAN ISLAND SINCE SEPTEMBER 26,1974.

SEVERAL INDIAN CITIZENS HAVE CONTACTED THE UNITED STATES GOVERNMENT IN REGARD TO THE PURCHASE OF THE VESSEL, BUT WE ARE NOT PRESENTLY ENGAGED IN ANY NEGOTIATIONS.

I AWAIT A REPLY AT YOUR EARLIEST CONVENIENCE."

IN THE LIGHT OF THE ABOVE SAID COMMUNICATION WE
FEEL BEWILDERED AS TO HOW MR. DORAIRAJ THE PLAINTIFF
IN THE SUIT COULD PRODUCE THE BILL OF SALE DATED 5.8.76
ALLEGEDLY GIVEN TO HIM BY THE APPROPRIATE OFFICER OF
THE GOVERNMENT OF UNITED STATES.

WE THEREFORE REQUEST YOU TO LET US KNOW AT YOUR EARLIEST
(AND NOT LATER THAN 24.9.76) WHETHER THIS NEW INDIA
STEEL INDUSTRIES OF MADRAS HAS BEEN GIVEN ANY BILL OF
SALE, AND IF SO, HOW THE AMERICAN GOVERNMENT COULD HAVE
VALIDLY DEALT WITH THE OWNERSHIP OVER THE WRECKED VESSEL
WITHOUT THE KNOWLEDGE AND CONSENT OF THE RECEIVER OF
WRECK UNDER THE MERCHANT SHIPPING ACT 1958.

AN EARLY REPLY IS SOLICITED,

WITH BEST REGARDS

YOURS SINCERELY,
(T.P. SANKARANARAYANAN NAIR)
SECRETARY TO ADMINISTRATOR

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